

Examining Female Entrepreneurship Development in Nigeria: a Pathway to Sustainable Development

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A b s t r a c t

Economic growth demands a stable but flexible social and political framework which is capable of resolving the inevitable interest group and sectoral conflicts that accompany such structural change. Entrepreneurship being an insatiable factor is a moving force and development of any nation. It has an important role in the context of a developing nation like Nigeria which is confronted with major socio economic problems. Women entrepreneurs are vital sources of growth that can empower the economy, yet they face tremendous challenges. This study examined female entrepreneurship development in Nigeria. The methodology is based on documentaries that deals with entrepreneurship and reflected on contemporary issues. It was recommended that female entrepreneurship development should be seen as a basic criterion for economic development and a pathway to sustainable development

Keywords: *Female, Entrepreneurship, Development, Poverty, Unemployment, Empower*

Background to the Study

There is a growing social awareness the world over, that policies be directed to re-igniting and/or developing female entrepreneurial activity. Best-practice lessons have shown that the poor can achieve improved standard of living through entrepreneurship (Frederick and Foley, 2006).

Many countries of the Africa continent see the development of entrepreneurship as the only way of achieving industrialization and economic development. As a result they are making serious effort to ensure the development of indigenous entrepreneurship (Ottih, 2011). In most countries, entrepreneurship is emerging as the major factor paving the way for economic development through synergistic impact on job creation, innovation, helping to increase female, ethnic and minority participation in the workforce and alleviating local poverty in inner cities and sub-urban areas. Entrepreneurship generally, and women entrepreneurship specifically, are vital to the economy of a nation with respect to economic development and poverty reduction. In as much as the government of a country is required to provide the enabling environment for entrepreneurship development in terms of favorable financial, economic socio-cultural, legal policies and functional infrastructure (Coleman & Koti, 2008; Iganiga, 2008; Stephen & Wilton, 2006; Williams & Thawatchai, 2008).

The World Economic Forum identify women entrepreneurs as “the way forward” at their annual meeting in 2012 (WEF, 2012). Donors international, public institutions, the national and local government, NGOs private companies, charities, knowledge and business associations have initiated programmes or policies to promote and develop women's entrepreneurship. However despite this growing number of initiatives and resources made available to promote and develop female entrepreneurship in developing countries, women still own and manage fewer business than men, they earn less money with their business that grow slower, are more likely to fail and women tend to be more necessity entrepreneurs (Saskia Vossenber, 2013). Global survey indicate that the gender gap in entrepreneurship persists albeit at different levels and varying widely across countries. This study examined female entrepreneurship development in Nigeria.

Statement of the Problem

Many United Arab Emirate (UAE) women cease working after marriage and child bearing, partly because maternal care is consider to be more beneficial for their children (UAE; yearbook 2006). This situation causes a range of problem for women such as the difficulties in creating their own spaces for professional activities; and confrontation with the power of a patriarchal society that does not offer opportunities for their total development.

In Nigeria, the 2006 census revealed that, women constitute 49.9% of the nation's population; the under representation of women (2%) in the nation's development process in finance, business and investment fronts, render 40% of the population inadequately positioned to contribute to the economic growth of the country (Federal Ministry of Women Affairs and Social Development, 2010, cited in Osalor, 2010).

These therefore suggest that female entrepreneurship in Nigeria is still largely underdeveloped. Studies have shown that both genders are affected differently in their operations in factors like markets and socio-cultural environment with women being affected more adversely than their male counterparts. Women are more constrained with less access to information, technology, inputs, labour, finance and credit, thus, having a depressed productivity.

Therefore, peculiar problems of female entrepreneurs in their quest for improved productivity, increased income and food security of their family are multiplied. Generally, women economic empowerment is low in Nigeria compared to their male counterpart. Odubogun (1996) examine the extent of economic empowerment of Nigerian women based on their participation in various economic activities and noted that economic powers of Nigerian women systematically and persistently deteriorated particularly since 1986.

Objectives of the Study

The objectives of the study are:

1. To examine female entrepreneurship development in Nigeria.
2. To examine the challenges that hindered female entrepreneurship.
3. To provide solutions necessary for economic development.

Research Methodology

The study is qualitative in nature, the data were drawn from secondary source. Therefore documented facts from literatures such as, books, articles, newspapers, periodicals, as well as online information were used in order to reflect the contemporary issues.

Literature Review

Female Entrepreneurship Development in Nigeria

It is important to see female entrepreneurship as a distinct yet related concept to male entrepreneurship. "Female entrepreneurship are defined as those 'females' who use their knowledge and resources to develop or create new business opportunities, who are actively involved in managing their business, and own at least 50% of the business and have been in operation or longer than a year" (Moore and Buttner, 1997 in Farr-Whaton and Brunetto, 2007:2).

Although entrepreneurship is usually regarded as an activity, some definitions concentrate more on its operational and functional characteristics. Roomi and Harrison (2010:3) quote Stevenson (1983:1) to state that entrepreneurship is "the pursuit of opportunity without regard to the resources currently controlled" and go on to quote Shane and Venkataraman (2000) "Entrepreneurship concerns the process of discovering opportunity, the evaluation and exploitation of opportunity, and the individual decision-makers who do these things".

The female entrepreneurs is the female head of a business who takes the initiative of launching a new venture, accepting the associated risks, the financial administrative and

social responsibilities, and effectively in charge of the day-to-day activities of the business (Lavoi, 1985, cited in Witbooi and Ukpere, 2011). A new venture that is launched and managed by the female entrepreneur(s) is known as female entrepreneurship. Also, McClelland, Swail, Bell and Ibbotson (2005) define female entrepreneurship as a women owned business; one that is at least 51% owned by one or more women or in the case of any public-owned business, at least 51% of the stock of which is owned by one or more women.

In Nigeria, women development gained tremendous boost with Better Life Programme (BLP) in 1987 leading to an increasing public and government awareness of prospective role women could play in national development. Adewole (1997), noted that women empowerment is the provision of adequate opportunities for women to develop their potentials and contribute to the development of the nation in particular and to the world in general. He added that women empowerment is the provision of conducive environment for opportunities for women to contribute their quota to the social, political and economic activities. Better life programme was founded in 1987 to improve the quality of life of many of women through the distribution of various inputs granting of easy credit and the establishment of various educational and enlightenment programmes (Ogwumike, 1987).

Family Support Programme (FSP) and Family Economic Advancement Programme (FEAP) were designed and set up to improve the quality of life of rural dweller particularly women. Blue print (1994) stated the objectives of the support programmes to include:

- i. Eradication of negative, social and cultural factors affecting women and children
- ii. Assisting rural families to increase agricultural production as well as improving their nutritional status
- iii. promoting and improving the welfare of the most vulnerable and disadvantaged groups in the society, notably, children, women, disabled, destitute, the aged and others.

National Poverty Eradication Programme (NAPEP) was founded with the aim to coordinate and monitor the implementation of poverty eradication contents of the concerned ministries (Agriculture and Rural Development, Education, Health, Water Resources, Works and Housing, Employment, Labour and Productivity, Women Affairs and Youth Development and Industry) to insure that the activities are centrally planned and coordinated in order to complement one another with a view to maximize impact and enhance use of resources. It is in pursuance of the intervention mandate that NAPEP embarked on the women empowerment through the following programme: Capacity Acquisition Programme (CAP), Mandatory Attachment Programme (MAP) and the Credit Development Programme (CDP) (Obadan, 1996). A review of this programme reveals more of failures than success. Among the identified reasons for the failure are implementation problems, government funding, lack of focus and capacity to satisfy to the plan, to modify when necessary by successive government and ensure that the plan or programmes aligns with all aspect of the economic plan of the government.

Empirical Literature

Fasoranti (2010) examined the impact of empowerment on poverty alleviation among women in rural areas in Akoko North West in Ondo state of Nigeria and the descriptive result have shown that there is a positive relationship between the economic empowerment programme and economic activities of women. Shandhan (2009) used semi structured interviews on study of women economic empowerment programme and the result revealed that economic empowerment programme has positive impact on the economic activities of women in India.

Tata and prasad (2008) concluded that performance of female-run micro-enterprises can be influenced by social capital, motivation and opportunity to engage in collaborative exchange; and that this is influenced by gender. This explains why micro-credit programs are vital in assisting poor women entrepreneurs (especially in developing countries) who lack access to credit and other opportunities. One of such programs is social networks interms of trade unions, peer group formation and other cooperative societies. Similarly, Wright (2006) using survey approach based on questionnaire revealed negative relationship between economic empowerment programme and economic activities. He opined that women empowerment programmes increase financial wellbeing.

Rahman (2001) used Chi-square test and the result revealed positive correlation between economic empowerment programme and economic activities of women. He opined that empowerment policy is an important liberating force in societies, where women in particular have to struggle against repressive social and economic condition. Using a survey approach, Kabeer (2001) investigate the role of empowerment programmes on the activities of women and found that empowerment programmme has succeeded in increasing the economic activities of women in Bangladesh through skills acquisition, self-employment and serving as employers of labour

Jill, Thomas, Lisa and Susan (2007) concluded that both physical capital and connection networks as well as training were necessary for entrepreneurial success. Kabeer (2000) carried out a study on women economic empowerment using survey approach based on questionnaires and found that empowerment programmme in India has positive influence on the activities of women in rural India by improving the standard of living of women. Rowland (1997) in a study on the role of empowerment programme on the economic activities of in women in Honduras, the results after using chi-square test revealed that there is strong relationship between empowerment programme of women and their economic activities.

The empirical studies have revealed the important of liberating women through empowerment programmes. The role of women in the development of a country cannot be neglected or underestimated (Langowitz and Minniti, 2007) as its not only provide a platform for women to prove themselves (Eddleston and Powell, 2008) but also contributes to the welfare of the overall economy. Government world wide are taking steps to promote female entrepreneurial activities. Studies have stressed the need for effective government planning and strategies to promote and encourage female who are or want to be entrepreneurs (De Bruin *et al*; 2007).

Challenges that Hindered Female Entrepreneurship

From the various literatures analyzed, the following problems are identified as challenges to female entrepreneurship: Women faced a number of unique social norms like religion and culture which makes it difficult for them to become involved in entrepreneurial activity. Additionally, some conservative men, husbands and the society frown upon females starting-up and running their own business. This makes it difficult for females to harness their entrepreneurial talents, while at the same time meeting the demands placed on them by both their families and society. Hagen (1962, cited in Frederick and Foley, 2006) affirmed that where the behaviour of a group is not accepted or where a group is discriminated against, a psychological equilibrium would occur. This might drive a person to cultivate enterprising behaviour so as to compensate for these lacks. It is an interesting proposition to think that disadvantaged person might be more likely to start a new venture than other people.

Another major challenges of female entrepreneurship development in developing countries, particularly Nigeria, is government policies. These range from infrastructure to tax policies. The country lacks infrastructures like good roads to ease the transportation of products, poor electricity supply which forced entrepreneurs to use other sources of power generation like generators.

Researchers consistently point to a lack of access to finance as the major barrier that female entrepreneurs face (Jamali, 2009; Roomi *et al.*, 2009). A majority of the females rely on family funding (Halkins, 2011) or personal savings (Itani, Sidani and Baalbaki, 2011). A study conducted in Nigeria discovered that after family funding, these female entrepreneurs rely on donations, bank loans, governmental schemes and charity by church (Halkias, 2011).

Personal attributes of female entrepreneurs may sometimes create opportunities or barriers for them. There is a high proportion for female who have a fear of failure (Itani, Sidani and Baalbaki, 2011). At the other end of the spectrum, some studies revealed that female entrepreneurs love to take risk, are open to challenges, and put in their best effort to pursue their goals (Mordi, Simpson, Sigh and Okafor, 2010). In traditional Muslim society and communities, male-female segregation is the norm and presents its own issues. Female entrepreneurs guard their privacy and prefer a working environment, where they don't have to interact with males (Itani *et al.*, 2011), or the interaction is kept to a minimum.

Discouragement is a challenge to female entrepreneurship development. Families play an important role in female entrepreneurship; a recent studies reveal two opposing pictures in this respect. In some cases, families are very supportive (Halkias, 2011) and play an important and supportive role in helping female to develop business ideas (Jamali, 2009). On the other hand, female consider families as a constraint. They receive no appreciation for their work and in most cases they are discouraged (Itani *et al.*, 2011).

Stereotyping has been a challenge to the development of female entrepreneurs. In many society in the developing world, females are generally not encouraged to take on leadership roles. They are perceived as being submissive and subservient to their male counterparts (Dzisi, 2008). This stereotyping poses barriers for females as in a male-dominated society, a female leader is discouraged. A study conducted in Lebanon blames cultural norms and stereotyping as one of the biggest constraints for these female entrepreneurs (Jamali, 2009).

Female being regarded as housekeepers/homemakers is a challenge because such perceptions coupled with family responsibilities are big constraints. The support of the husband in fulfilling family responsibilities can be extremely helpful for these females. However, as a study conducted in the UAE shows, husbands do not play an active role in the daily household responsibilities – the fact that females need to leave their children in order to pursue entrepreneurial activities is not appreciated (Jamali, 2009). The need to complete all household work without any assistance from other family members leaves less working hours for these females, especially in rural areas.

Unmarried females are also facing similar problems (Mordi *et al.*, 2010) with parents being concerned for their daughter future “marriage prospects” if they are perceived as independent and domineering in a society that values a female “shyness and meekness” – in short, a society in which her submissive nature is seen as her biggest asset.

A female entrepreneur also faces several societal issues; harassment is a major problem for them in many countries. Sexual harassment remains a common complaint. Adejumo (2011) observed that, quietly, many female marketers in banking sector face an uphill battle at work and on the field. The battle is sexual harassment. The numbers are staggering. Everyday, hundreds of thousands of female marketers are sexually harassed. However, because of customs and traditions, these women are afraid to speak out. In addition, they feel ashamed and are fearful of losing their jobs if they bring sexual harassment to the attention of authorities.

Another major challenge is that of security, the life of the people are not secured, insecurity has led to the destruction of investment properties. In Africa, self-employed females mostly operate in a hostile environment which is not suitable for business purposes (Halkias, *et al.*, 2011).

Conclusions and Recommendations

In conclusion, this study aimed to contribute to the emerging issues by pointing out the need for a systematic analysis of female entrepreneurship promotion policies and practices with a view to achieve economic development in Africa and in Nigeria in particular. There is a dire need to give a voice to these faceless and voiceless females who play a big-yet in general unseen - role towards making a household financially stable. It is on this note that the researchers felt the following recommendations should be considered:

- i. Female entrepreneurs, irrespective of who has helped them to start their business, it is crucial for them to have the support of their husbands because this determines greatly the success of their entrepreneurial career.
- ii. Government should as a matter of urgency improve the deplorable states of infrastructural facilities, especially electricity supplies and good roads. Government should also protect the facilities that are provided to women development centres and provide a forum which qualified and teaching staff would remain in the centres and provide them with incentives and yearly increments as motivators.
- iii. Many female entrepreneurs have innovation and ideas but lack the capital to finance their idea. Government should therefore relax the cumbersome procedure of obtaining loan facilities in the banks in order to reduce the pains involved.
- iv. To handle the problem of fear of failure, the trainers in any established empowerment related programmes should organized a counseling session for participant. It should be more private and confidential.
- v. There should be clear and direct demonstration of intolerance for sexual harassment by the government, other agencies and the public.
- vi. The first step towards building investor confidence is to recognize neighbourhood stability as an essential requirement for investment facilitation. The potential female entrepreneurs would also be afraid of their lives and properties when they want to actualize their business ideas. Therefore, the issue of security of lives and properties should be vigorously pursued by the government.

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